

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY PANAMA PRIORITY

C O N F I D E N T I A L STATE 032370

STADIS////////////////////

E.O. 11652:GDS

TAGS: PFOR, PN

SUBJECT:TEXT OF BRIEFING MEMORANDUM SUBMITTED TO ARA FOR
THE SECRETARY'S MEETING WITH GENERAL TORRIJOS IN
SAN JOSE FEBRUARY 24.

REFERENCE: STATE 31656

FOR BELL

TEXT OF BRIEFING MEMORANDUM SUBMITTED TO ARA FOR THE SEC-
RETARY'S MEETING WITH GENERAL TORRIJOS IN SAN JOSE FEBRU-
ARY 24 FOLLOWS, FOR YOUR REVIEW AND POSSIBLE SUBSEQUENT
UPDATING AS NECESSARY TO TAKE INTO ACCOUNT RESULTS OF CUR-
RENT ROUND OF NEGOTIATIONS.

BEGIN TEXT: SETTING

PRESIDENT ODUBER INVITED TORRIJOS TO ATTEND THIS
LUNCHEON AT YOUR SUGGESTION. TORRIJOS HAS HAD SOME UPS
AND DOWNS SINCE THE BEGINNING OF THE YEAR. DURING HIS TRIP
TO CUBA (JANUARY 10-15), TORRIJOS SUCCESSFULLY SKIRTED THE
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DIFFICULT ISSUES OF ANGOLA AND PUERTO RICO AND SUPPORTED CONTINUED NEGOTIATIONS TO RESOLVE THE CANAL PROBLEM. THE TRIP ITSELF AND CASTRO'S WARM RECEPTION IMPRESSED TORRIJOS' LEFT WING SUPPORTERS IN PANAMA. SOME PANAMANIAN BUSINESS ELEMENTS, HOWEVER, WERE NOT IMPRESSED AND HAD ORGANIZED AGAINST TORRIJOS. HE OVERREACTED BY EXILING 11 PROFESSIONAL AND BUSINESS LEADERS TO ECUADOR. INSTEAD OF CHOKING OFF THE OPPOSITION, THIS ACTION RESULTED IN A CONSIDERABLE AMOUNT OF POLITICAL TURMOIL. WHILE THERE HAS BEEN VIRTUALLY NO VIOLENCE, TORRIJOS IS NOW IN THE PROCESS OF REBUILDING THE BROAD POLITICAL SUPPORT WHICH HIS REGIME HAD PREVIOUSLY ENJOYED.

YOUR OBJECTIVES

YOU WILL WANT TO USE THIS OCCASION TO REASSURE TORRIJOS CONCERNING OUR OBJECTIVES IN THE NEGOTIATIONS AND PARTICULARLY TO CONVINCE HIM THAT DESPITE THE U.S. ELECTION IT IS OUR INTENTION TO PROCEED WITH THE NEGOTIATING AND DRAFTING OF A TREATY. YOU WILL ALSO WANT TO EMPHASIZE THAT WE CANNOT NEGOTIATE IN PUBLIC AND THAT THE MANY PANAMANIAN PUBLIC STATEMENTS ON THE CONTENT OF THE NEGOTIATIONS HAVE NOT BEEN HELPFUL.

TORRIJOS' OBJECTIVES

TORRIJOS WILL USE THIS SESSION TO CONTINUE TO SHORE UP HIS INTERNAL POLITICAL POSITION. HE WILL ALSO WANT TO ATTEMPT TO CONVINCE YOU OF THE SERIOUSNESS WITH WHICH THE PANAMANIANS TAKE THESE NEGOTIATIONS AND OF THE NEED FOR SUBSTANTIAL CONCESSIONS BY THE UNITED STATES.

ISSUES/TALKING POINTS

SECRECY OF THE NEGOTIATIONS: THE PANAMANIANS HAVE FREQUENTLY GONE PUBLIC BOTH IN OFFICIAL DECLARATIONS AND WITH LEAKS TO THE PRESS ON THE SUBSTANCE OF THE NEGOTIATIONS. WHILE OUR OWN RECORD IS NOT PERFECT IN THIS REGARD WE HAVE NOT USED THE PRESS AS HAVE THE PANAMANIANS TO EXERCISE PRESSURE ON OUR NEGOTIATING PARTNER.

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YOUR TALKING POINTS

-- WE HAVE BEEN DISMAYED BY THE NUMBER OF PRESS LEAKS AND OFFICIAL DECLARATIONS ON THE SUBSTANCE OF THE NEGOTIATIONS BY THE GOVERNMENT OF PANAMA. THESE HAVE CONTINUED DESPITE FIRM AGREEMENT BY THE NEGOTIATORS ON THE NECESSITY TO CONDUCT THE TALKS PRIVATELY.

-- SUCH RELEASES BY PANAMA CREATE PROBLEMS WHICH ARE DIFFICULT FOR US TO MANAGE AND DO NOT REFLECT WELL ON PANAMA. IN PARTICULAR, THESE PUBLIC PRONOUNCEMENTS MAKE CONGRESS UNEASY ABOUT THE COURSE OF THE NEGOTIATIONS.

-- WE URGE THAT THE NEGOTIATIONS BE CONDUCTED IN SECRET AND THAT BOTH PARTIES AGREE TO RELEASE THE SUBSTANCE OF THE NEGOTIATIONS ONLY AFTER A TREATY HAS BEEN SIGNED.

PACE OF THE NEGOTIATIONS: PANAMA HAS OFTEN EXPRESSED UNHAPPINESS WITH THE RELATIVELY SLOW PACE OF THE NEGOTIATIONS, WHILE NOT INFREQUENTLY INSISTING ON PROCEDURES AND RAISING ISSUES WHICH CONTRIBUTE TO DELAY. TORRIJOS UNDERSTANDS THAT THE ELECTION POSES SOME UNIQUE AND DIFFICULT PROBLEMS FOR THE U.S. SIDE AND KNOWS THAT THE UNITED STATES WILL NOT BE IN A POSITION TO SIGN AN AGREEMENT UNTIL AFTER THE ELECTION, AT THE VERY EARLIEST. BOTH SIDES HAVE TACITLY AGREED, HOWEVER, TO CONTINUE THE NEGOTIATIONS DURING THIS YEAR, WITH THE OBJECTIVE OF HAVING A COMPLETED DRAFT TREATY READY FOR CONSIDERATION BY THE RESPECTIVE GOVERNMENTS AFTER THE 1976 ELECTION.

YOUR TALKING POINTS

-- AMBASSADOR BUNKER IS PREPARED TO CONDUCT THE NEGOTIATIONS DURING THE COURSE OF THE NEXT YEAR ON AN INTENSIVE BASIS, WITH THE OBJECTIVE OF COMPLETING A DRAFT TREATY FOR THE CONSIDERATION OF THE RESPECTIVE GOVERNMENTS BY THE END OF THE YEAR. HE HAS MY FULL SUPPORT IN THIS EFFORT.

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-- WE APPRECIATE PANAMANIAN UNDERSTANDING OF THE DIFFICULT PROBLEM WHICH THE ELECTION POSES FOR US ON THIS ISSUE. UNDER NO CIRCUMSTANCES DO WE WANT THE CANAL ISSUE TO BECOME A DIVISIVE OR PARTISAN ISSUE DURING THE ELECTION CAMPAIGN. THAT COULD ONLY HAVE NEGATIVE RESULTS FOR BOTH THE U.S. AND PANAMA. PRESIDENT FORD IS PARTICULARLY FIRM ON THIS POINT.

-- BECAUSE OF THIS POTENTIAL POLITICAL IMPACT, THE SECRECY OF THE NEGOTIATIONS IS VITALLY IMPORTANT FOR BOTH SIDES.

-- PRESSURE OR SHARP CRITICISM BROUGHT TO BEAR UPON THE UNITED STATES IN OTHER FORA (UN, OAS) GENERALLY

HAS A NEGATIVE IMPACT IN THE UNITED STATES. THE

PUBLICITY THESE EFFORTS GENERATE IN THE U.S. TENDS
TO STRENGTHEN THE POSITION OF TREATY OPPONENTS.

NEGOTIATING ISSUES: DURING THE DECEMBER 1975 ROUND
OF NEGOTIATIONS, THE NEGOTIATORS BEGAN TO GET DOWN TO SOME
OF THE HARDER ISSUES (THE LANDS AND WATERS WHICH IT WILL
BE NECESSARY FOR THE UNITED STATES TO CONTROL IN ORDER
TO OPERATE THE CANAL FOR THE DURATION OF THE TREATY, DURA-
TION PERIODS FOR BOTH DEFENSE AND OPERATION, DEFINITION
OF THE CONCEPT OF NEUTRALITY, THE SHAPE OF THE ENTITY
WHICH WILL REPLACE THE PANAMA CANAL COMPANY AS THE OPER-
ATOR OF THE CANAL.) BOTH SIDES ARE NOW IN THE PROCESS OF
STAKING OUT THEIR RESPECTIVE POSITIONS AND OF DETERMINING
WHAT FLEXIBILITY EXISTS ON THESE QUESTIONS. WE ARE THERE-
FORE NOT AT A POINT (WHICH COULD COME AT A LATER DATE)
OF NEEDING YOUR ASSISTANCE IN RESOLVING DIFFICULT ISSUES.

-- I UNDERSTAND THAT THE NEGOTIATING TEAMS MET ON
CONTADORA EARLIER IN FEBRUARY AND MADE ADDITIONAL
PROGRESS IN RESOLVING SOME OF THE ISSUES. I WEL-
COME THIS AND TRUST THAT AN ADDITIONAL ROUND OF NE-
GOTIATIONS WILL BE HELD AT AN EARLY DATE.

-- I DO NOT WANT TO GET INTO SPECIFIC ISSUES. AMBAS-
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SADOR BUNKER AND MINISTER NEGOTIATOR TACK APPEAR
TO HAVE THESE QUESTIONS WELL IN HAND AND I SEE NO
NEED FOR US TO NEGOTIATE HERE.

OTHER ISSUES: WHILE THE CANAL NEGOTIATIONS OVERSHADOW
ALL OTHER ISSUES IN OUR RELATIONS WITH PANAMA, TORRIJOS
COULD RAISE "UNILATERAL ACTIONS." UNILATERAL ACTIONS BY
THE U.S. HELP TORRIJOS COPE WITH THE PROLONGED PERIOD OF
THE NEGOTIATIONS AND SHOW THE PANAMANIAN THAT WE ARE
WILLING AND READY TO WORK WITH THEM IN A PARTNERSHIP AR-
RANGEMENT. AN OUTSTANDING ISSUE IS THE VOLUNTARY RE-
STRAINT LEVEL ON MEAT IMPORTS. PANAMA IS ENTITLED TO A
QUOTA OF FIVE MILLION POUNDS UNDER THE FORMULA USED TO
ALLOCATE VOLUNTARY QUOTAS ON BEEF IMPORTS. PANAMA HAD
ASKED FOR TEN MILLION POUNDS AND THE VICE MINISTER OF
AGRICULTURE VISITED THE U.S. IN EARLY JANUARY TO ARGUE
THE CASE. WHILE WE WERE NOT ABLE TO GRANT AN INCREASE
IN THE U.S. LEVEL, WE DID MAKE SOME SPECIAL ARRANGEMENTS
WITH THE EC AND INDIVIDUAL BUYERS MAY TAKE UP TO FIVE
MILLION POUNDS OF PANAMANIAN BEEF IN 1976.

YOUR TALKING POINTS

-- WE HAVE BEEN PLEASED TO ANNOUNCE SEVERAL UNILATERAL

ACTIONS (MILITARY ARMS SALES, REDUCTION IN CANAL
ZONE SECURITY POSITIONS, ETC.) TO HELP LAY THE
GROUNDWORK FOR THE PARTNERSHIP WHICH WE HOPE TO
FORMALIZE IN THE NEW TREATY ON THE CANAL.

-- WHILE WE ARE NOT ABLE TO INCREASE THE LEVEL OF THE
PANAMANIAN VOLUNTARY RESTRAINT ON BEEF IMPORTS, WE
WERE ABLE TO GET EC AGREEMENT TO TAKE INCREASED
QUANTITIES. WE TRUST THAT THESE ACTIONS WILL MEET
PANAMANIAN NEEDS.

-- I ALSO UNDERSTAND A JOINT U.S.-GOP COMMISSION IS
WORKING ON A NUMBER OF OTHER ACTIONS WHICH HAVE
ECONOMIC SIGNIFICANCE FOR PANAMA. KISSINGER

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